

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 1918 – HB 2865**

February 18, 2020

**SUMMARY OF BILL:** Creates the Tennessee Second Chance Scholarship Program (Scholarship Program), to assist youth who have been placed in the custody of the Department of Children's Services (DCS) in the pursuit of a postsecondary credential and gainful employment. Requires the Scholarship Program be administered by the Tennessee Higher Education Commission (THEC).

Creates the Tennessee Second Chance Scholarship Advisory Board (Board). Requires the Board to establish procedures by which a person may apply for a scholarship. Requires the Board to award scholarships to eligible applicants in amounts up to \$10,000. Limits the total amount of scholarships awarded by the Board at \$25,000 in the first year.

Requires the executive director of THEC to appoint a program coordinator to regularly meet with, counsel, and support scholarship recipients to establish educational and employment goals.

Requires THEC to report on the Scholarship Program to the General Assembly as part of its annual report on the condition of higher education in Tennessee.

Establishes that this act be repealed on July 1, 2023.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$25,900/Each Year FY20-21 through FY22-23**

**Assumptions:**

- The number of students who will receive a scholarship under this program and the average scholarship amount awarded per student is unknown; however, based on the award limitations of the program it is reasonably assumed only a few students will be awarded at higher scholarship amounts. Therefore, the responsibilities and duties of the appointed program coordinator can be accomplished within existing resources.
- Any increase in expenditures for THEC to administer the Scholarship Program and appoint a program coordinator is estimated to be not significant.
- The Board will consist of five members and will meet quarterly.

- The appointed program coordinator and the representatives from DCS, the Department of Human Services, and THEC will attend Board meetings in the course of their regular business.
- The public member appointed to the Board will not receive compensation for their services but will be reimbursed for travel expenses.
- It is assumed the program coordinator will be reimbursed for travel expenses incurred while meeting with scholarship recipients.
- The number of scholarship recipients and the number of times the program coordinator will meet with recipients is unknown. For purposes of this analysis, it is assumed the program coordinator will meet with recipients quarterly.
- The recurring increase in state expenditures associated with travel expenses is estimated to be \$880 (\$0.47 per mile x 234 miles x 4 meetings x 2 people).
- Scholarships under this program will be awarded between July 1, 2020 and June 30, 2023.
- The proposed legislation limits the Scholarship Program's total annual award amount to \$25,000 for FY20-21. For purposes of this analysis, it is assumed the total annual award amounts will remain at \$25,000 per year for each of FY21-22 and FY22-23.
- The total recurring increase in state expenditures is estimated to be \$25,880 (\$880 + \$25,000) in each FY20-21 through FY22-23.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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